

**BOIES, SCHILLER & FLEXNER LLP**

333 MAIN STREET \* ARMONK, NY 10504 \* PH. 914.749.8200 \* FAX 914.749.8300

June 26, 2015

**Via Hand Delivery**

Ms. Erika Cheung  
926 Mouton Circle  
East Palo Alto, California 94303

Dear Ms. Cheung:

This firm represents Theranos, Inc. ("Theranos" or the "Company"). We have reason to believe that you have disclosed certain of the Company's trade secrets and other confidential information without authorization. We also have reason to believe that you have done so in connection with making false and defamatory statements about the Company for the purpose of harming its business. You are directed to immediately cease and desist from these activities. Unless this matter is resolved in accordance with the terms set forth in this letter by 5:00 p.m. (PDT) on Friday, July 3, 2015, Theranos will consider all appropriate remedies, including filing suit against you.

As you are aware, during your employment at Theranos, you had access to Theranos trade secrets and other confidential information. As a condition of your employment, you executed an *At Will Employment, Confidential Information and Invention Assignment Agreement*, dated October 14, 2013, in which you agreed not to disclose without authorization any Theranos Confidential Information. Under that agreement, Confidential Information includes: "any non-public information that relates to the actual or anticipated business or research and development of the Company, technical data, trade secrets or know how". Indeed, upon the termination of your employment with Theranos on or about April 16, 2014, you were specifically reminded and agreed in writing that those confidentiality obligations continued even after your departure.

We have reason to believe that you have violated your confidentiality obligations in connection with your efforts to disseminate false and defamatory statements about Theranos for purposes of harming its business. The Company is prepared to file suit against you to remedy and prevent further harm. If you wish to avoid litigation, prior to the deadline noted above, you must:

1. Immediately gather and return to this Firm any and all Theranos confidential information, in whatever form, that remains in your possession;

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2. Identify and describe with particularity any and all Theranos confidential information disclosed by you without authorization or received by you since your departure from the Company;
3. Identify all persons to whom you have discussed or otherwise disclosed Theranos confidential information without authorization;
4. Identify all persons from whom you have received Theranos confidential information since your departure from the Company;
5. Agree to refrain from further violations of your ongoing confidentiality obligations to Theranos and from making any further false and defamatory statements regarding Theranos, its principals, or its business;
6. Submit to an interview by outside counsel for Theranos regarding, among other things, your actions, your compliance with these directives, the false and defamatory information disseminated by you, and the steps you must take to rectify your actions; and
7. Execute an affidavit, under penalty of perjury, certifying your compliance with items 1-6 above, and additional points to be discussed with Theranos' attorneys during the in-person meeting described above.

You are also hereby on notice of potential litigation against you in connection with these matters. Accordingly, Theranos demands that you preserve all documents, tangible things, and electronically stored information potentially relevant to the issues in this matter, including electronic files and other data generated by and/or stored on your computers and storage media (e.g., hard disks, backup tapes, USB or other drives, CDs, DVDs, etc.), or any other electronic data, such as voice mail. Your failure to comply with this demand can result in severe sanctions being imposed on you for spoliation of evidence or potential evidence. Be advised that we are also contacting others whom we have reason to believe have breached their confidentiality obligations and/or defamed the Company.

A prompt response, either from you or your counsel, should be directed to my colleague, Meredith Dearborn, at 510-874-1211 or 650-208-2788.

Sincerely Yours,



David Boies

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